

TABC TODAY



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Serving the State of Texas Since 1935....

May 1998

STEEN NAMED TO TABC

John T. Steen, Jr. of San Antonio has been appointed to a six-year term on the Texas Alcoholic Beverage Commission. A former Bexar County Commissioner, Steen is a lawyer in private practice. He holds an undergraduate degree from Princeton University, a certificate in Modern English Law from the London School of Economics and a JD degree from The University of Texas at Austin Law School. A life fellow of the Texas Bar Foundation, he serves as director of the World Affairs Council of San Antonio and is a former director of the local United Way.



Commissioner John T. Steen, Jr.

After being sworn in by Governor George W. Bush, Jr. on February 6 at the State Capitol, Commissioner Steen noted that he welcomed the opportunity to serve our great state and he remains convinced that integrity, efficiency and fairness are the true cornerstone of all government and toward those ends will offer his leadership and guidance to the TABC. Steen said "it is critically important to provide the best possible services to the taxpayers of Texas; to treat the industry we regulate, the citizens of Texas and our state

employees consistently and fairly and to communicate openly with the public we serve. I intend to do everything within my power to insure that we continue to explore new ways of giving the citizens of this state the most effective and efficient services possible and I eagerly await the opportunities that lie before us and I trust that we will be equal to the challenges."

Commissioner Steen and his wife, Ida Louise (Weisie) are the parents of three children, James, John III and Ida Louise. He replaces Roy Orr of De Soto whose term expired.

Get It On The Web!

It's on-line! A new link that provides an efficient method for obtaining tax rates and gallonage figures is now available on the agency's web site. Additionally, some down loadable excise tax reports (distiller and rectifier) and forms (destruction of alcoholic beverages) have been added for the convenience of our license and permit holders. According to Gary Henderson of the Excise Tax Reporting Section, staff is currently exploring other ways of utilizing the agency's web site to enhance access to information by agency customers. In addition, anyone interested in getting per capita consumption figures via an e-mail mailing list can now sign up on-line for this service. This information is available on a monthly basis and includes different types of alcoholic beverages: distilled spirits, wine, beer and ale. For more information, reach us at: excise.tax@tabc.state.tx.us or call (512) 206-3342.



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102 and Counting!



During the extensive training on marketing practices that has been conducted throughout the state during the previous few months, all sorts of questions were posed regarding our marketing practices efforts. As a result of these sessions, the agency has compiled more than 100 marketing practices-related questions and their corresponding answers. This information has been posted on our web site and is available to anyone interested in browsing through this area. Here's a sample of some of the questions that you'll find while surfing through this site:

◆ What is "marketing practices"?

- ◆ When can deliveries occur from a distributor to a retailer and what are the hours of sale for that retailer?
- ◆ Can a distributor discount the value of novelties to a retailer?
- ◆ Can a distributor give a retailer a case of ashtrays?
- ◆ Are boxing ring mats and corner pads considered equipment or signs?
- ◆ How will these new rules affect advertising/ordering on the Internet?
- ◆ Can you give a "rain check" for beer on sale if you run out?

For answers to these and all kinds of other questions on marketing practices, just look us up on the Internet at: <http://www.tabc.state.tx.us>.

Yo Quiero Bad Frog!

Since going online with our web site, we've had some really interesting inquiries from individuals in various parts of the world. But some of our most memorable contacts have come from our own Lone Star State. Witness the following plea from one frog-crazed consumer:

"The Bad Frog Beer Company has excellent beer products which I've tried while visiting Michigan...and he's a cool looking dude, too! Better than the frogs and lizards that seem to have taken over our TV quality time. Please, please, for my sake, for the frogs' sake, for our country's sake, as well as the honorable and sovereign State of Texas.. Give the frogs unlimited visa privilege, same as the spokesman for Taco Bell...that little Chihuahua. Much thanks for your consideration, and remember...every year here in South Texas, there is the Blessing of the Frogs!"

Administrator's Corner



Getting a license to sell alcoholic beverages in Texas is no easy matter. No one section exists in the Alcoholic Beverage Code or rules that provides clear and simple steps for the process of getting a license or permit. The staff has assembled guide booklets and checklists, but an applicant still has to deal with their local government, individual circumstances and Murphy's law.

Enter the licensing services. These are people who, for a fee, will complete the paperwork, obtain all necessary signatures and submit the application to our agency. Some of these people are former employees of the agency, some are lawyers and, one in Dallas, has been in business for more than 50 years. Licensing services are not regulated nor do they enjoy any special privilege with the agency. Good ones are a real asset to their clients and the Licensing Division.

Bad ones damage the reputation of the agency, other licensing services and their clients.

We are currently trying to solve one bureaucratic issue dealing with licensing services. In recent years, we have allowed licensing services to receive mail intended for their clients. Apparently, some services fell into the habit of attaching a label with a forwarding address and putting the piece back in the mail without additional postage. This happened often enough that the U.S. Postal Service contacted us and explained that we could lose our privilege of metered mail if we didn't make an effort to put a stop to this practice. An additional problem with the use of the mailing address of a licensing service is the failure of some licensing services to properly forward all mail received for the licensee or permittee. Many important pieces of mail have gone astray.

One solution would be not to send any mail to the licensing services. This would mean that all renewal notices would go to the licensee or permittee. In an effort to accommodate the

licensing services, we are in the process of adding an information field to the license application for those who want their renewal notices to be sent to a licensing service. This addition will provide for three possible addresses on the application. They are: physical location, mailing address and mailing address for renewal notices. Please be patient with us while we make the necessary revisions.

Though many requirements of the licensing process are statutory, we welcome any other suggestions to improve our process.

Note: *A heartfelt apology goes out to Robert "Butch" Sparks, Licensed Beverage Distributor; Alan Gray, Licensed Beverage Distributors and Alan Dreeben, Block Distributors. We inadvertently left their names off the list of folks we cited in our previous issue as having provided invaluable assistance in the revision of our marketing practices rules. It bears saying once more: "thank you" for your help!*

Doyne Bailey



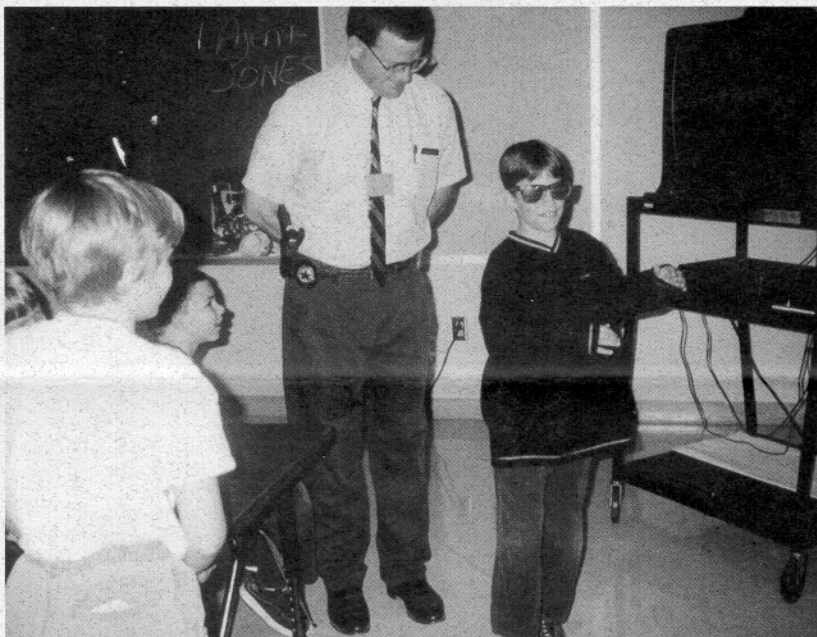
Scenes like this (pictured left) are much too common across Texas during this time of year as a group of local high school students was caught with a suitcase full of beer and whiskey. Long revered among some youths as a time for overindulgence of alcoholic beverages, prom and graduation ceremonies throughout the state will be targeted by TABC agents once again this year.



Fourth grader Clint Blakely helps Fort Worth Agent Scott Jones (pictured right) with a demonstration during a recent Project SAVE (Stop Alcohol Violations Early) presentation.

Through the month of March more than 187,000 young Texas students had attended a SAVE presentation by a TABC agent.

A member of the TABC since 1989, Jones was recognized by the National Liquor Law Enforcement Association as the organization's "Peace Officer of the Year" and was cited as a "prime example of a well-rounded, community-oriented liquor law enforcement officer."



- FINAL NOTICE -

PLEASE NOTE: IF YOU HAVE ALREADY SUBMITTED THIS OR ANY OTHER FORM FOR RENEWAL, DISREGARD THIS NOTICE.

State law prohibits us from continuing to send you TABC Today, unless we hear from you.

If you wish to continue receiving TABC Today, please fill out this form and return it to our office, also include your full zip code by adding the "plus-4" digits in the space below. You may subscribe or renew your subscription electronically through TABC's Internet home page. Just e-mail us at: questions@tabc.state.tx.us and provide us with the following information:

NAME: _____

BUSINESS TITLE: _____

BUSINESS NAME: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP: _____ - _____

CURRENT ADDRESS ☐

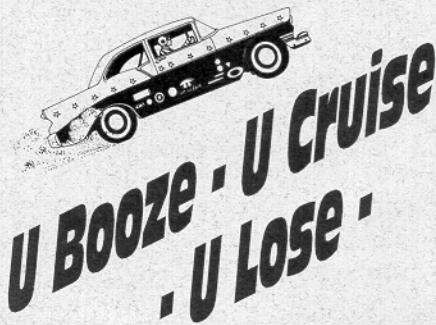
*NEW ADDRESS ☐

NEW SUBSCRIBER ☐

** checking this option means the mailing address on all your license information will be changed.*

It's new. It's Tough.

A few months ago, State Senator Royce West of Dallas and The Century Council unveiled a public service announcement campaign on the new "zero tolerance" law which took effect last year. This law makes it illegal for a minor to drive with any detectable amount of alcoholic beverages in his/her system. A fine, community service, an alcohol awareness course and loss of the minor's driver's license are a few of the consequences for breaking this



It's the law!

law. "This is a serious new law that we hope will serve as a deterrent for our young people," says Senator West. Public service announcements being distributed to radio and television stations across the state will remind minors that: "You Drink, You Drive, You Walk." Humorous comments such as "So you lost your driver's license. Look at it this way: here is your chance to double-date with mom and dad!" are used to get the message out regarding the new law. In addition, a bold, exciting poster with the caption "You Drink, You Drive, You Walk" is being distributed to all high schools across the state in hopes that young Texans will get the message regarding illegal underage drinking. Limited copies of the new poster are available by contacting the agency's public information office in Austin.



Scenes like this were common during the month of April throughout the state as numerous cities and counties issued proclamations in recognition of the special observation. Governor George W. Bush, Jr. issued a statewide proclamation urging all Texans "to join the battle to prevent alcohol use by

Texans under 21 years old and to work together to establish safer and healthier attitudes toward alcohol use." Pictured above are (l.-r.) Bastrop Agent Ron Clinton and Fayette County Commissioners Wilbert Gross, Tom Muras and Ronnie Stork as Judge Ed Janecka signs a proclamation.

Texas has a new law that says, "If you're under 21, and you're caught driving after drinking any alcohol - that's any alcohol - you'll lose your license."

U
Drink
U
Drive
U
Walk

Zero Tolerance. It's tough. It's new.
And-if you're under age - it's just for you.
THE CENTURY COUNCIL

TABC Targets "Spring Break"

The surf, the sand, the beach coupled with clear skies and wonderful weather brought young college students from throughout the country during this year's Spring Break celebration. While larger than last year, the crowds were well-behaved with only two serious incidents marring the event. As with previous years, agents from throughout the state were utilized to enforce the alcoholic beverage laws during this annual observation. In an effort to minimize the use of alcoholic beverages by minors, the agency conducted a series of minor stings and Cops In Shops sessions along the corridors leading to Galveston, South Padre Island, Corpus Christi and Port Aransas. Agents issued 973 criminal citations and 433 criminal warnings during the three-week operation. In addition to working with local law enforcement agencies along the Texas coastline, the agency also worked with federal officials at the border to curb the amount of underage drinking that usually occurs in Mexico during Spring Break.

TABC Targets Proms

It's prom night. For many young Texas high school students it's become an American rite of passage—one often times marked by the care-free use of alcoholic beverages. Underage Texans wanting to celebrate their upcoming senior proms and graduation nights with some alcohol may find themselves in the company of TABC agents. In conjunction with the Texas Hotel & Motel Association and the Texas Medical Association, the TABC is conducting a statewide enforcement initiative targeting illegal underage drinking during high school prom and graduation ceremonies.

"Operation Safe Prom/Safe Graduation proved to be such a huge success last year that we decided to repeat the campaign again this year," notes Chief of Enforcement Greg Hamilton. As part of the effort, TABC agents will be visiting high schools, hotels and motels during the coming weeks and inspecting licensed premises surrounding the location of all high school prom and graduation ceremonies. "By working with members of both associations, the alcoholic beverage industry, other law enforcement agencies, MADD and other concerned groups, we hope to forge a partnership that will bring a heightened level of awareness to the dangers associated with illegal underage drinking," Hamilton adds.

"The basic purpose of this campaign is to ensure that this milestone achievement in a young person's life is a safe and sober occasion that they can treasure for a long time," says Administrator Doyne Bailey. Lieutenant Jim Hays of Abilene adds that "minors, alcohol and motor vehicles are a no-win situation and the campaign is a top priority for our agents during this time."

According to Brazosport High School Principal Doug Boone, renting rooms at hotels/motels is also a problem during this time. "That's a new fad with parents getting the kids a room to let them spend the night. They are doing it for the safety of the child, but it ends up in the party going up in the room and not on the dance floor," he says. For Agent Larry Linscombe, Saturday nights during this time of year will be extremely busy as he makes random inspections, checking dance arenas, chartered buses on the road and private house parties. "I know it's going to happen again. I know what's going on. I know that it's happening, and I'm working on it," says Agent Linscombe as he prepares for this year's campaign in the Brazoria County area.

Official Memorandum State of Texas Office of the Governor

There are right decisions to make, and there are wrong decisions to make. For young Texans, making the right choices, such as not drinking alcohol, can be the difference between life or death. When juveniles drink, problems such as health care costs, crime and violence also increase significantly.

The greatest problem associated with young people drinking occurs when teens get behind the wheel of a car. In 1996, more than 3,000 alcohol-related accidents took place among drivers under the age of 21. That same year, 220 young Texans died from alcohol-related crashes.

State government alone cannot solve this problem. Parents, schools, public and private institutions, businesses, hospitals and other government agencies must work to promote awareness of the problems of illegal underage alcohol use in Texas. Our young people must understand that drinking can destroy their health, their ability to learn, and their prospects for building a successful and prosperous future.

I urge all Texans to join the battle to prevent alcohol use by Texans under 21 years old and to work together to establish safer and healthier attitudes toward alcohol use. Together, we can stop alcohol violations and tragedies - and teach young people to make the right choices.

Therefore, I, George W. Bush,
Governor of Texas,
do hereby proclaim April 1998,

**YOUTH ALCOHOL
AWARENESS MONTH**

8-Liners: An Update

At press time, there were numerous cases pending in both state and federal courts regarding the issue of 8-liner gaming machines. Most of the focus in the courts has been agency reliance on Attorney General Dan Morales' Opinion DM 466. The TABC has been making illegal gambling cases prior to DM-466 and will continue to do so when license and permit holders use 8-liners or other gaming machines in violation of the Texas Penal Code.

You Asked...questions about alcoholic beverage regulations

Is it illegal to ship wine into the State of Texas according to the Alcoholic Beverage Code?

If properly licensed by the State of Texas, out of state wineries may ship wine into Texas for delivery to a properly licensed wholesaler dealer. The wholesaler may then sell the product to licensed retailers who make the products available to the ultimate consumer. This is generally referred to as the "3-tier system" of distribution created by the legislature in 1935.



The monthly tax that is paid to the Comptroller is 14%. What figure is that 14% applied to and is it for a day, week or month?

The 14% gross receipts tax is based on total sales of liquor, beer and wine for the calendar month. There may be some additional considerations if cover charges are collected. Please contact the Office of the State Comptroller for more information.



Is it legal for two individuals to play cards in a TABC licensed establishment? Is there a distinction between domino play and card play between two individuals?

Yes, it is legal for two persons to play cards and dominos in a licensed establishment. However, it is not legal to play any game which may be considered as gambling and thus a violation of the Alcoholic Beverage Code.



Can a beer distributor purchase beer (out of date) from a retailer at the same price any consumer would pay?

Yes, as long as it is not a consignment sale.



May a retailer decide to carry only one brand of beer product?

Yes, but the retailer may be investigated to determine if any illegal inducements have occurred in the decision.

Allan Shivers, Jr., Chairman
Martha Dickie, Commissioner
John T. Steen, Jr., Commissioner
Doyle Bailey, Administrator

TABC Today is a publication of the Texas Alcoholic Beverage Commission. We welcome comments, suggestions and/or questions from our readers. To report a possible violation of the Alcoholic Beverage Code, call toll-free 1-888-THE-TABC (Voice/TDD).

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